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15 OCT 1976

MEMORANDUM FOR: Comptroller

FROM : John F. Blake  
Deputy Director for AdministrationSUBJECT : Review of General Services Administration Final  
Federal Buildings Fund Budget Estimate for FY-1978REFERENCES : (a) Memo dtd 5 Aug 76 to Comptroller fr D/L  
Subject: Preliminary Federal Buildings Fund  
Budget Estimate FY-1978(b) Ltr dtd 9 Sep 76 to C/RECD fr GSA  
Subject: Final Submission of GSA Federal Buildings  
Fund Budget Estimate FY-1978

1. The Office of Logistics is in receipt of the final General Services Administration (GSA) Federal Buildings Fund (FBF) budget estimate for FY-1978. The estimate was submitted to assist the Agency in its budgetary planning for Standard Level User Charge (SLUC) for Agency space and other associated costs payable to GSA under the provisions of Public Law 92-313. The GSA FY-1978 SLUC estimate amounts to [REDACTED]. This figure includes [REDACTED] for existing Agency space and, [REDACTED] for the Agency's projected space change. It should be noted that the GSA estimate does not include an inflation factor as was the case in the GSA instructions for the preparation of the Preliminary FBF budget estimate discussed in Reference (a).

2. We have been advised by GSA that the SLUC budget estimate is based upon space assigned to the Agency as of 30 July 1976, and that the SLUC budget estimate utilizes Fair Annual Rental (FAR) appraisals as the basis for developing the SLUC rates. GSA also advised that the SLUC square footage rates, applied to Agency space, are firm rates and will not be increased during FY-1978. The charge for Agency space is subject to change only as space is added and/or terminated during the fiscal year.

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3. As you are aware, there are always discrepancies in GSA budget estimate submissions, either space assignment omissions or inclusion errors or a combination of both. In order to correct for these errors and to provide a more accurate estimate, we have adjusted the GSA budget estimate by 1) increasing the GSA estimate for Agency existing space in the amount of 25X1A [REDACTED] which represents Agency-assigned space omitted by GSA and, 2) deducting \$38,332 which represents GSA inclusion of Agency-terminated space. Therefore, the Agency's adjusted SLUC budget estimate for existing assigned space is 25X1A [REDACTED]

4. In addition to presently assigned space, GSA has submitted an estimated SLUC cost based upon information provided by the Agency to GSA relative to the Agency's anticipated space changes between 1 August 1976 and the end of FY-1978. Actual SLUC rates cannot be developed for the Agency projected space changes until a specific building is identified and included in GSA's space inventory. Accordingly, GSA has developed and applied estimated SLUC rates to determine the approximate cost of the future requirements. The estimated cost for the Agency's projected space changes is 25X1A \$999,970. Included in this cost figure is 25X1A [REDACTED] which represents the estimated FY-1978 SLUC cost for the Intelligence Community Staff (ICS) Community Headquarters Building (CHB). Mr. [REDACTED] of your Office, has requested that this cost not be included in the Agency's SLUC budget but maintained as a separate line item for inclusion in the ICS budget. Hence, 25X1A the Agency's SLUC budget, excluding the CHB, for projected space changes during this period is 25X1A [REDACTED] as shown in Attachment 1. Adding the SLUC estimate for presently assigned space to that for FY-1978 projected space changes, the total FY-1978 SLUC budget is 25X1A [REDACTED] as shown on the "Total GSA PL 92-313 (Adjusted) Estimate," prepared by OL and included as Attachment 2. However, if it is decided that the CHB is to be included in the Agency's budget, the total SLUC estimate for FY-1978 would be 25X1A [REDACTED]

5. In addition to the SLUC estimate for Agency space, the Agency's FY-1978 budget must make provisions for those estimated costs for both recurring and nonrecurring reimbursable services rendered by GSA. 25X1A Nonrecurring costs (i.e., ad hoc work orders and major projects payable to GSA) are estimated to total 25X1A [REDACTED] based on currently proposed projects. We have been advised by ODP that PROJECT SAFE funds in the amount of 25X1A [REDACTED] should become available, thus raising the reimbursable total to [REDACTED]

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6. Regarding recurring reimbursable costs, we have encountered some difficulty in arriving at a valid estimate for these services as the information furnished by GSA was incomplete and inadequate making it impossible to verify the services rendered. However, we have estimated these services based upon the Agency's recurring reimbursable service cost for FY-1977 times a 10 percent escalation factor for labor costs and a 25 percent escalation factor for utility costs. The net result of this computation for labor and utilities totals [REDACTED]. In addition to the cost for labor and utilities, the projected costs for Federal Protective Service is estimated as [REDACTED] for the Agency and [REDACTED] for ICS Community Headquarters Building. Therefore, the total estimated cost for recurring reimbursable services payable to GSA by the Agency amounts to [REDACTED] if the CHB is to be included. In summation, it would appear that the Agency's FY-1978 estimated cost relating to Public Law 92-313 amounts to [REDACTED]

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10/12/76

John F. Blake

## 3 Attachments

- Att 1 - Projected Space Requirements
- Att 2 - Total GSA PL 92-313 (Adjusted) Estimate
- Att 3 - References

## Distribution:

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Originating Office:

[REDACTED]  
James H. McDonald  
Director of Logistics

10/12/76  
Date

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